CONTRACTOR

NSC BRIEFING

21 January 1958

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## BACKGROUND NOTE ON IRAN

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- A. The Iranian delegation to the Pact meeting headed by Prime
  Minister Equal is expected to press very hard at the meeting
  for increased US military aid. The Shah fears that, in the
  event of war and despite nuclear retaliation on Russian targets,
  present Iranian forces could not prevent the Soviets from
  penetrating deeply into Iran.
- II. The Shah is exercising increasingly absolute control over the government. Meanwhile serious long-term domestic threats to his rule caused principally by failure to achieve economic improvements which directly benefit the people continue to deepen.
  - A. Traditional bribery and widespread corruption among Iranian government officials accompanied by wholesale tax evasions seriously limits the governments economic program. It also increases popular antagonism to the Imperial Court.

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